DR. JAY CHILDREN'S GRIEF CENTRE

YEAR ENDED MARCH 31, 2018

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SC

Stern Cohen
ACCOUNTANTS

Chartered Professional Accountants
Chartered Accountants
Licensed Public Accountants
Business Advisors

Stern Cohen LLP
45 St. Clair Avenue West, 14th Floor
Toronto ON M4V 1L3
T. 416-967-5100
F. 416-967-4372
www.sterncohen.com

INDEPENDENT AUDITORS' REPORT

To the directors of

DR. JAY CHILDREN'S GRIEF CENTRE

We have audited the accompanying financial statements of Dr. Jay Children's Grief Centre, which comprise the statement of financial position as at March 31, 2018 and the statements of operations, changes in fund balances and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion
In common with many not-for-profit organizations, the organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenditures, assets and net assets.

Qualified opinion
In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Dr. Jay Children's Grief Centre as at March 31, 2018 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Stern Cohen LLP

Chartered Professional Accountants
Chartered Accountants
Licensed Public Accountants
Toronto, Canada
September 25, 2018

DR. JAY CHILDREN'S GRIEF CENTRE

STATEMENT OF OPERATIONS

For the year ended March 31,	**Counselling**	**Camp Erin**	**2018**	Counselling	Camp Erin	2017
	$	**$**	**$**	$	$	$
Revenues						
Foundations and grants	**642,908**	**9,809**	**652,717**	535,375	134,308	669,683
Donations	**196,282**	**13,433**	**209,715**	93,758	12,604	106,362
Toronto Central LHIN (Note 3)	**3,640**	**-**	**3,640**	3,722	-	3,722
Other revenue	**14,529**	**-**	**14,529**	8,499	-	8,499
	857,359	**23,242**	**880,601**	641,354	146,912	788,266
Expenses						
Program costs	**66,284**	**47,072**	**113,356**	28,281	44,414	72,695
Salaries and benefits	**446,930**	**27,960**	**474,890**	528,956	22,946	551,902
Professional fees	**11,595**	**725**	**12,320**	13,811	599	14,410
Information technology	**14,648**	**916**	**15,564**	15,986	694	16,680
General and administrative	**74,703**	**4,658**	**79,361**	73,945	3,208	77,153
Advertising	**976**	**61**	**1,037**	2,190	95	2,285
Non-recoverable GST/HST	**5,353**	**335**	**5,688**	4,779	207	4,986
Amortization	**16,343**	**-**	**16,343**	18,295	-	18,295
	636,832	**81,727**	**718,559**	686,243	72,163	758,406
Excess (deficiency) of revenues over expenses	**220,527**	**(58,485)**	**162,042**	(44,889)	74,749	29,860

See accompanying notes.

STATEMENT OF CHANGES IN FUND BALANCES

For the year ended March 31,	**Counselling**	**Camp Erin**	**2018**	Counselling	Camp Erin	2017
	$	**$**	**$**	$	$	$
Fund balances, beginning of year	**344,285**	**116,675**	**460,960**	389,174	41,926	431,100
Excess (deficiency) of revenues over expenses for the year	**220,527**	**(58,485)**	**162,042**	(44,889)	74,749	29,860
Fund balances, end of year	**564,812**	**58,190**	**623,002**	344,285	116,675	460,960

See accompanying notes.

DR. JAY CHILDREN'S GRIEF CENTRE

STATEMENT OF CASH FLOW

For the year ended March 31,	Counselling	Camp Erin	2018	Counselling	Camp Erin	2017
	$	$	$	$	$	$
Operating activities						
Excess (deficiency) of revenues over expenses for the year	**220,527**	**(58,485)**	**162,042**	(44,889)	74,749	29,860
Item not involving cash						
Amortization of capital assets	**16,343**	**-**	**16,343**	18,295	-	18,295
Working capital from (required by) operations	**236,870**	**(58,485)**	**178,385**	(26,594)	74,749	48,155
Net change in non-cash working capital balances related to operations	**(21,862)**	**100**	**(21,762)**	3,393	1,717	5,110
Cash from (required by) operations	**215,008**	**(58,385)**	**156,623**	(23,201)	76,466	53,265
Investing activities						
Acquisition of capital assets	**(1,199)**	**-**	**(1,199)**	(9,151)	-	(9,151)
Change in cash during the year	**213,809**	**(58,385)**	**155,424**	(32,352)	76,466	44,114
Cash						
Beginning of year	**348,009**	**114,996**	**463,005**	380,361	38,530	418,891
End of year	**561,818**	**56,611**	**618,429**	348,009	114,996	463,005

See accompanying notes.

DR. JAY CHILDREN'S GRIEF CENTRE

(Incorporated under the laws of Ontario)

STATEMENT OF FINANCIAL POSITION

As of March 31,	**Counselling**	**Camp Erin**	**2018**	Counselling	Camp Erin	2017
	$	**$**	**$**	$	$	$
ASSETS						
Current assets						
Cash	**561,818**	**56,611**	**618,429**	348,009	114,996	463,005
HST recoverable	**15,533**	**-**	**15,533**	6,694	-	6,694
Prepaid expenses	**19,435**	**1,579**	**21,014**	5,265	1,679	6,944
	596,786	**58,190**	**654,976**	359,968	116,675	476,643
Capital assets (Note 2)	**14,170**	**-**	**14,170**	29,314	-	29,314
	610,956	**58,190**	**669,146**	389,282	116,675	505,957
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	**46,144**	**-**	**46,144**	40,158	-	40,158
Deferred revenue (Note 3)	**-**	**-**	**-**	3,730	-	3,730
Deferred lease inducement	**-**	**-**	**-**	1,109	-	1,109
	46,144	**-**	**46,144**	44,997	-	44,997
FUND BALANCES	**564,812**	**58,190**	**623,002**	344,285	116,675	460,960
	610,956	**58,190**	**669,146**	389,282	116,675	505,957

Other information (Note 4)

See accompanying notes.

Approved on behalf of the Board: Director Director

Dr. Jay Children's Grief Centre (the "organization") serves to benefit the community by providing grief counselling, palliative support and specialized programming to children and youth and their families who are facing death, dying, grief, and bereavement.

The organization was originally established in 2006 within Mount Sinai Hospital in Toronto. Since then, the organization has evolved into a stand-alone entity. The organization was formally incorporated on July 23, 2014 under the Canada Not-for-profit Corporation Act as a not-for-profit organization. On August 25, 2014, the organization received registered charitable status and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

1. Significant accounting policies

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) *Fund accounting*

The organization uses fund accounting. For financial reporting purposes, the accounts have been classified into the following funds:

Counselling Fund

This fund comprises the unrestricted resources of the organization or restricted resources for which a specific fund does not exists. This fund includes various programs including: youth program, family support program, volunteer program, and research/education program.

Camp Erin Fund

This fund reports any resources that have been provided to the organization specific to Camp Erin Toronto which is a weekend-long overnight bereavement camp in Muskoka for children and teens in the Greater Toronto Area.

1. Significant accounting policies (cont'd)

(b) *Revenue recognition*

The organization follows the restricted fund method of accounting for contributions.

Unrestricted contributions are recognized as revenue of the Counselling Fund in the current period if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions for which a specific fund does not exist are deferred and recognized as revenue of the Counselling Fund in the year in which the related expenses are incurred.

Restricted contributions for which a corresponding restricted fund is presented is recognized as revenue of that fund in the current period.

(c) *Capital assets*

Capital assets are stated at cost. Amortization is recorded at rates calculated to charge the cost of the assets to operations over their estimated useful lives. Maintenance and repairs are charged to operation as incurred. Gains and losses on disposals are calculated on the remaining net book value at the time of disposal and included income.

Amortization is charged to operations on a straight-line basis at the following annual rates:

Furniture and fixtures	-	5 years straight line
Computer equipment	-	3 years straight line
Leasehold improvements	-	remaining lease term

(d) *Use of estimates*

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenditures during the period. Actual results could differ from these estimates.

1. Significant accounting policies (cont'd)

(e) Allocation of overhead

The funds received under the Camp Erin fund are used for a portion of overhead expenses. The organization allocates these expenses by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year.

Expenses are allocated under the Camp Erin fund on the following basis:

Salaries - based on management's estimate of time spent carrying out the activities within the fund.

Other expenses - proportionately on the same percentage as the salaries and benefits of the fund.

(f) Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenses.

The organization's financial instruments that are measured at amortized cost consist of cash, accounts payable and accrued liabilities, and deferred revenue.

2. Capital assets

	Cost	Accumulated amortization	Net 2018	Net 2017
	$	$	**$**	$
Computer equipment	27,212	24,327	**2,885**	11,632
Furniture & equipment	20,758	9,473	**11,285**	14,461
Leasehold improvements	10,374	10,374	**-**	3,221
	58,344	44,174	**14,170**	29,314

3. Deferred revenue

In February 2015, the organization entered into an agreement with the Toronto Central Local Health Integration Network (the "Toronto Central LHIN") pursuant to which it received $189,000 of one-time funding to support the Dr. Jay Children's Grief Program during the period ended March 31, 2015. As at March 31, 2018, the organization had utilized all (2017 - $3,730 remained) of this funding on eligible purchases. During fiscal 2018 $3,640 (2017 - $3,722) of the funding was recognized as revenue in the statement of operations and changes in fund balances.

4. Other Information

(a) *Lease obligation*

The organization is committed under a net lease for premises until September 30, 2023. Lease payments are approximately as follows:

	$
2019	43,300
2020	52,900
2021	53,800
2022	54,200
2023	54,600
Thereafter	27,300
	286,100

(b) *Financial instruments*

The organization is exposed to the following significant financial risk:

(i) Liquidity risk

Liquidity risk is the risk that the organization may not be able to meet its financial obligations as they become due. The organization manages its liquidity risk by monitoring and managing the cash requirements to ensure the organization has sufficient funds to meet its operational requirements.